

Federal Income Taxes

MARRIED FILING JOINTLY & SURVIVING SPOUSES

Taxable Income	Tax rate
\$0 — \$19,900	10.0%
\$19,901 — \$81,050	12.0%
\$81,051 — \$172,750	22.0%
\$172,751 — \$329,850	24.0%
\$329,851 — \$418,850	32.0%
\$418,851 — \$628,300	35.0%
Over \$628,300	37.0%

SINGLE FILERS

Taxable Income	Tax rate
\$0 — \$9,950	10.0%
\$9,951 — \$40,525	12.0%
\$40,526 — \$86,375	22.0%
\$86,376 — \$164,925	24.0%
\$164,926 — \$209,400	32.0%
\$209,426 — \$523,600	35.0%
Over \$523,600	37.0%

HEAD OF HOUSEHOLD

Taxable Income	Tax rate
\$0 — \$14,200	10.0%
\$14,201 — \$54,200	12.0%
\$54,201 — \$86,350	22.0%
\$86,351 — \$164,900	24.0%
\$164,901 — \$209,400	32.0%
\$209,400 — \$523,600	35.0%
Over \$523,600	37.0%

MARRIED FILING SEPARATELY

Taxable Income	Tax rate
\$0 — \$9,950	10.0%
\$9,951 — \$40,525	12.0%
\$40,526 — \$86,375	22.0%
\$86,376 — \$164,925	24.0%
\$164,926 — \$209,425	32.0%
\$209,426 — \$314,150	35.0%
Over \$314,150	37.0%

TRUSTS AND ESTATES

Taxable Income	Tax rate
\$0 — \$2,650	10.0%
\$2,651 — \$9,550	24.0%
\$9,551 — \$13,050	35.0%
Over \$13,050	37.0%

Standard Deductions

	2020	2021
Single	\$12,400	\$12,550
Married Filing Jointly	\$24,800	\$25,100
Married Filing Separately	\$12,400	\$12,550
Head of Household	\$18,500	\$18,350
Dependent*	\$1,100	\$1,100

*Dependent standard deduction is the greater of \$1,100 or \$350 plus earned income

Additional deduction for blind or aged (65+)

Single or Head of Household	\$1,700
Married Filing Jointly or Separately	\$1,350

Capital Gains & Dividends

2021 CAPITAL GAINS TAX RATES

Filing status	0%	15% Min. Income	20% Min. Income
Single	\$0 — \$40,400	\$40,400 — \$445,850	More than \$445,850
Married Filing Jointly	\$0 — \$80,800	\$80,801 — \$501,600	More than \$501,600
Head of Household	\$0 — \$54,100	\$54,101 — \$473,750	More than \$473,750

NET INVESTMENT INCOME TAX (MAGI THRESHOLDS)

3.8% surtax applied to lower of Net Investment Income or MAGI over threshold

Filing Status:	MAGI	Rate:
Single / Head of Household	\$200,000+	3.8%
Married Filing Jointly/Separately	\$250,000+ / \$125,000+	3.8%
Trusts & Estates	\$12,500	3.8%

Gift & Estate Tax

	2020	2021
Annual gift tax exclusion	\$15,000	\$15,000
Unified credit exemption	\$11,580,000	\$11,700,000
Gift to non-citizen spouse	\$157,000	\$159,000
Highest estate tax bracket	%40	%40
States with Separate Estate Tax	CT, DC, HI, IL, MA, MD, ME, MN, NY, OR, RI, VT, WA	
States with Inheritance Tax	IA, KY, MD, NE, NJ, PA	
Community Property States	AK*, AZ, CA, ID, LA, NM, NV, TX, WA, WI	

*Opt-in community property state

Traditional IRA & Roth IRA

	2020	2021
IRA-ROTH IRA CONTRIBUTION LIMIT		
Contribution limit	\$6,000	\$6,000
50+ Catch-up	\$1,000	\$1,000

TRADITIONAL IRA DEDUCTIBILITY PHASE-OUT BASED ON MAGI

Participants in employer plans

Married Filing Jointly	\$104,000 — \$124,000	\$105,000 — \$125,000
Married Filing Separately	\$0 — \$10,000	\$0 — \$10,000
All Others	\$65,000 — \$75,000	\$65,000 — \$75,000
Non-Participant	\$196,000 — \$206,000	\$198,000 — \$208,000
Married to a Participant		

Neither a Spouse or a Participant	Fully Deductible	Fully Deductible
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ROTH IRA PHASE-OUT BASED ON MAGI

Married Filing Jointly	\$196,000 — \$206,000	\$198,000 — \$208,000
Married Filing Separately	\$0 — \$10,000	\$0 — \$10,000
All Others	\$124,000 — \$139,000	\$125,000 — \$140,000

Qualified Plans

	2020	2021
401K, 403(b), 457(b) salary deferral	\$19,500	\$19,500
50+ Catch-up	\$6,500	\$6,500
SIMPLE salary deferral	\$13,500	\$13,500
50+ Catch-up	\$3,000	\$3,000
Maximum annual additions in a defined contribution plan	\$57,000	\$58,000
Maximum annual benefit in defined benefit plan	\$230,000	\$230,000
Maximum compensation considered	\$285,000	\$290,000
Highly compensated employee	\$130,000	\$130,000
Maximum QLAC	\$135,000	\$135,000

Special catch-up rules applies to certain 403(b) contributors with 15 or more years of service and governmental 457(b) participants in the last 3 years before retirement.

Student Loan Interest

The maximum deduction for student loan interest is \$2,500. The deduction is phased out as follows:

	2020	2021
Phase-out on single return	\$70,000 — \$85,000	\$70,000 — \$85,000
Phase-out on joint return	\$140,000 — \$170,000	\$140,000 — \$170,000

Education Incentives

2021

Phase-Outs for American Opportunity Credit/ Hope Scholarship Credit

Married Filing Jointly	\$160,000 — \$180,000
Others	\$80,000 — \$90,000

Phase-Outs for Lifetime Learning Credits

Married Filing Jointly	\$119,000 — \$139,000
Others	\$59,000 — \$69,000

Phase-Outs for Exclusion of U.S. Savings Bond Income

Married Filing Jointly	\$124,800 — \$154,800
Others	\$83,200 — \$98,200

529 Plan Contributions

\$15,000 per year per child	
Accelerate 5 years of gifting into	
- 1 year per individual	\$75,000
- per couple	\$150,000

Business Income Taxes

C CORPORATIONS

Taxable Net Income	21% Tax Rate
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S CORPORATIONS and LLCs

Taxable K-1 Pass-Through Income	Individual Tax Rates
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**"Qualified Business Income" is eligible for a 20% K-1 deduction (i.e. 37% bracket = 29.6% net marginal rate).

*Generally, "Specified Service Businesses" are NOT eligible for a 20% K-1 deduction unless entire taxable income (including K-1 pass-through profits) falls below certain thresholds.

Social Security

	2020	2021
TAXABLE WAGE BASE		
Social Security (OASDI)	\$137,000	\$142,800
Medicare	No Limit	No Limit

RETIREMENT EARNING TEST

Under full retirement age	\$18,240/yr (\$1,520/mo)	\$18,960/yr (\$1,580/mo)
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Note: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

Year reaching full retirement age	\$48,600/yr (\$4,050/mo)	\$50,520/yr (\$4,187/mo)
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Note: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

TAXABILITY OF BENEFITS

(Based on Provisional Income and Filing Status)

	INDIVIDUAL	MARRIED FILING JOINTLY
Not Taxable	Less than \$25,000	Less than \$32,000
Up to 50% taxable	\$25,000-\$34,000	\$32,000-\$44,000
Up to 85% taxable	Greater than \$34,000	Greater than \$44,000
Married Filing Separately		
Up to 85% of benefits are taxable		

Provisional Income - Adjusted Gross Income + Nontaxable Income + 1/2 Social Security Benefits

AGE TO RECEIVE FULL BENEFITS

Year of Birth	Full Retirement Age	% Reduced at Age 62
1943-1954	66	25.00%
1955	66 & 2 months	25.83%
1956	66 & 4 months	26.67%
1957	66 & 6 months	27.50%
1958	66 & 8 months	28.33%
1959	66 & 10 months	29.17%
1960 & Later	67	30.00%

DELAYED RETIREMENT CREDITS

Year of Birth	Yearly Rate of Increase
1943 or later	8.0%

Accrues when you reach full retirement age until you start receiving benefits or reach age 70.

FICA Tax Rates

	Self-Employed	Employee
OASDI (Social Security)	12.4%	6.2%
Medicare	2.9%	1.45%
Additional Medicare Tax*	0.9%	0.9%

*Beginning in 2013, the additional Medicare tax applied to wages and self-employment income above the following thresholds:

Filing Status:	Wages or Self-Employment Income above the MAGI threshold:
Married-Jointly	>\$250,000
Married-Separately	>\$125,000
Others	>\$200,000

Long Term Care Insurance

MAX QUALIFIED LTC PREMIUM ELIGIBLE FOR DEDUCTIONS: S Corp Owners - LLC Owners

Age	40 or less	41-50	51-60	61-70	over 70
2020	\$430	\$810	\$1,630	\$4,340	\$5,430
2021	\$450	\$850	\$1,690	\$4,520	\$5,640

Qualified LTC contract per diem limit: \$380 (\$370 in 2019)

RMD Uniform Lifetime Table

Age	Divisor	% Account	Age	Divisor	% Account
72	27.3	3.67	88	13.6	7.36
73	26.4	3.79	89	12.9	7.76
74	25.5	3.93	90	12.1	8.27
75	24.6	4.07	91	11.4	8.78
76	23.7	4.22	92	10.8	9.26
77	22.8	4.37	93	10.1	9.91
78	21.9	4.57	94	9.5	10.53
79	21.0	4.77	95	8.9	11.24
80	20.2	4.96	96	8.3	12.05
81	19.3	5.19	97	7.8	12.83
82	18.4	5.44	98	7.3	13.70
83	17.6	5.69	99	6.8	14.71
84	16.8	5.96	100	6.4	15.63
85	16.0	6.25	101	5.9	16.95
86	15.2	6.58	102	5.6	17.86
87	14.4	6.95	103	5.2	19.24

Health Savings Accounts

	2020	2021
CONTRIBUTION LIMITS		
Single / Family	\$3,550/\$7,100	\$3,600/\$7,200
Age 55+ Catch-up	\$1,000	\$1,000
HIGH DEDUCTIBLE HEALTH PLANS		
Minimum Deductible	\$1,400/\$2,800	\$1,400/\$2,800
Single / Family		
Maximum out of pocket	\$6,900/\$13,800	\$7,000/\$14,000
Single / Family		

Standard Mileage Rates

	2020	2021
Business Purposes	57.5¢	56¢
Medical Purposes	17¢	16¢
Charitable Purposes	14¢	14¢
Moving Purposes	17¢	16¢

*In 2020, mileage rates were 57.5¢ per mile for business purposes and 17¢ per mile for medical or moving purposes.

Alternative Minimum Tax (AMT)

	Max. exemption amount threshold	Exemption phase out threshold
Single/ Head of Household	\$73,600	\$523,600
Married Filing Jointly	\$114,600	\$1,047,200
Married Filing Separately	\$57,300	\$523,600
	26% rate applies to AMT income up to \$199,900*	
	28% rate applies to AMT income up to \$199,900*	
	*\$99,950 if marries filing separately.	

Disclaimer: Kairos Financial Group cannot guarantee the validity of the information contained here. While we do our best to ensure that the information is complete, accurate and up to date, we make no warranties as to the accuracy of the content and assume no responsibility for any error or omission in the content.

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